

**TID 74 – N. 35<sup>th</sup> & Capitol Drive**  
**Periodic Report**  
**12/31/15**

**District Created: 2009**

**Authorized expenditure (excluding interest): \$15,600,000**

**Authorizing resolution(s): File #090325, #140437**

**Projected TID cost recovery: 2035 (levy year)**

**Maximum legal life: 2034**

**Base property value: \$63,334,700; District base value redetermined in 2014**

**Completion Status: Ongoing**

**Project description**

In 2009, the City of Milwaukee undertook a multi-year redevelopment process incorporating a variety of funding sources to cover the anticipated costs of acquisition, demolition, site preparation, new infrastructure and other related activities. These sources include \$10 million in Capital Budget funding and \$15.6 million in district revenues, with the balance of funding derived from federal and state grants, New Markets Tax Credits equity and land sale proceeds. The overall \$35.4 million project budget will support the following activities:

- Acquisition of the 84-acre portion of the site
- Demolition of approximately 1.8 million square feet of presently vacant or underutilized industrial buildings, including asbestos abatement
- Environmental remediation and abatement of contaminants in building components and soil
- Clearing and grading of the site
- Stabilization of existing buildings and ongoing holding costs for the site during the three year development period
- Public improvements, including streets and utilities to serve the business park
- Matching funds to assist with qualified private improvements to existing residential properties in the TID through the Century City Targeted Investment Neighborhood (TIN)
- Development fund to provide funding for job training within the district
- Planning and community outreach
- Administrative costs associated with the TID

The City will have to complete significant demolition, environmental remediation, and site preparation activities before construction can commence on the site.

**2015 Summary of Activity**

Century City 1, the first building to be constructed at Century City Business Park was completed in October 2015. The 53,000 square foot flex-industrial building can be subdivided and into five manufacturing spaces each with its own loading dock. Additionally, project reserves for tenant improvements will fund the interior build-out according to company specifications. Milwaukee Economic Development Corporation provided \$4.1M in financing with \$800,000 in equity split between partners General Capital and Century City Redevelopment Corporation.

The Redevelopment Authority (RACM) approved a two-year contract with Colliers International to market both Century City 1 and the remaining 45-acres of land. A complete marketing packet

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has been developed and Colliers will begin actively promoting the projects through their industrial broker network and by attending trade shows and other events aimed at manufacturing companies.

RACM has finalized construction plans for the Greenway project which will significantly alter the Hopkins Street public right-of-way with the installation of landscaping, sidewalks, lighting and a gateway to the business park. Plans for a monument sign and adjacent stormwater feature have been finalized for construction at North 31<sup>st</sup> Street and West Capitol Drive. These prominent infrastructure projects will be highly visible from heavily trafficked Capitol Drive and highlights the Century City 1 building.

Talgo, Inc. continued to lease space within building 36 and T-Mobile continued to lease the property at 3180 West Townsend Street. Benson Industries is the newest tenant to building 36 leasing 83,050 sq. ft. to assemble the exterior curtain wall for the Northwestern Mutual project. Benson will partner with the Wisconsin Regional Training Partnership (WRTP) to recruit and train unemployed workers in window assembly and glazing.

#### **Project Forecast**

In 2016, the majority of the city's efforts will center on ongoing maintenance, construction and marketing of the business park.

- Engage Colliers to promote the sale/lease of buildings and land for manufacturing purposes
- Completion of infrastructure projects including the Greenway, monument sign and stormwater feature
- Continued maintenance work will continue on buildings 1A and 65
- Assess feasibility for the sale of the T-Mobile parcel and building 36
- Planning for Phase II infrastructure and transportation improvements

District incremental values have changed as follows:

<b>Year</b>	<b>Incremental Value</b>
2015	\$ (8,689,700)
2014	\$ (6,876,100)
2013	\$ (25,834,100)
2012	\$ (31,461,100)
2011	\$ (18,525,600)
2010	\$ (14,608,400)
2009	\$ -

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**Expenditures - Life to Date (as of 12/31/15)**

	<b>Project Plan Budget</b>	<b>Appropriations</b>	<b>Encumbrances</b>	<b>Expenditures</b>	<b>Remaining</b>
Administration	\$ 1,550,000	\$ 1,169,975		\$ 1,169,975	\$ -
Demolition	7,127,375	6,494,378		6,494,378	-
Environmental	3,007,625	1,430,702		1,430,702	-
Neighborhood Housing	400,000	104,945		104,945	-
Contingency	3,015,000	-		-	-
Workforce Development	500,000	-		-	-
Transfer to CCRC	-	6,400,000		6,400,000	-
Capitalized Interest	1,560,000	1,153,085		1,153,085	(0)
Total	\$ 17,160,000	\$ 16,753,085	\$ -	\$ 16,753,085	\$ (0)

**Financing Costs – Interest Paid through 12/31/2015: \$3,247,686**

**Revenue/Value Performance (as of 12/31/2015)**

	<b>Projected</b>	<b>Actual</b>
Property value	\$ 83,027,201	\$ 54,645,000
Incremental value	\$ 6,322,901	\$ (8,689,700)
Incremental taxes	\$ 367,997	\$ -

**Miscellaneous Revenue through 12/31/2015: \$38,992**

Is the project within budget? ☒ Yes ☐ No If no, explain:

Is the project on schedule? ☒ Yes ☐ No If no, explain:

Identify any significant concerns that might affect budget or schedule of this project in the future: See comments above regarding the redetermination of the base value.

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